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IN THE

Supreme Court of the United States

OCTOBER TERM, 1996

CAT CONTRACTING, INC., MICHIGAN SEWER CONSTRUCTION, KANAL SANIERUNG HANS MULLER GmbH & CO. KG, and INLINER U.S.A.,

Petitioners,

vs.

INSITUFORM TECHNOLOGIES, INC., INSITUFORM (NETHERLANDS) B.V., and INSITUFORM GULF SOUTH, INC.,

Respondents.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

HAROLD JAMES
Counsel of Record
JAMES & FRANKLIN
60 East 42nd Street
New York, New York 10165-1217
(212) 867-7260

Counsel for Insituform Technologies, Inc., Insituform (Netherlands) B.V., and Insituform Gulf South, Inc.

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RESPONDENTS' ANSWERS TO "QUESTIONS PRESENTED"

1. Petitioners' formulation of what argument estoppel consists of is not only inaccurate but is inapplicable to this case.

2. Argument estoppel does not "eviscerate" amendment estoppel, but supplements and supports it.

3. Neither *Keystone* nor any other of this Court's opinions reject argument estoppel, nor is there any conflicting authority on the subject.

RULE 29.6 STATEMENT

There are no parent companies or non-wholly owned subsidiaries of the corporate filers that have issued shares to the public.

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Respondents request that the petition for writ of certiorari in this case be denied.

STATEMENT OF JURISDICTION

Petitioners' Statement of Jurisdiction is not controverted.

STATUTORY PROVISIONS INVOLVED

None.

I. RESPONDENTS' STATEMENT OF THE CASE

The patent in suit relates to what in 1972 was a new way of repairing underground pipes without having to dig them up, involving starting with a soft liner of essentially the same diameter as the pipe and of a length corresponding to the length of the pipe section to be repaired, inserting that liner into the pipe section, expanding it so that it engages the inner surface of the pipe, and causing it to become permanently hard. The liner comprises a pair of plastic layers between which is sandwiched a felt layer, and before the liner is inserted into the pipe the felt layer is impregnated with an initially soft thermosetting resin. After the resin has set the strength and longevity of the thus produced pipe-within-a-pipe is dependent primarily upon the hardened resin, and hence for proper results the felt must be initially substantially completely impregnated with the resin.

Because the felt initially contains air, which must be removed if the resin is to completely impregnate the felt, it was early recognized that vacuuming the interior of the liner was desirable. In the most relevant prior art (the Everson patent cited by the Examiner), that vacuum was applied to the interior of the liner by sucking air from the tail end of the liner. Because the felt is dense it took considerable time for suction at the tail end of the liner to produce an adequate vacuum where it was needed, at the place where the resin contacted the felt, but with liners of the length that Everson dealt with the time involved was not excessive. However, as the patent points out, when liners 300 meters long (970 feet) were involved serious problems arose, and today liners up to 1000 meters long (3,250 feet) are not uncommon, thus exacerbating the problem.

What the patent claims is to initially suck air through an opening in the outer plastic layer at a point relatively close to the location where the resin comes in contact with the felt (the "resin front," as it is called), since it is the vacuum at that resin front which determines the degree to which the resin will impregnate the felt. As the resin front comes quite close

to that point, that opening is sealed so as to prevent loss of the vacuum, a new opening is formed downstream of but not very far from the resin front, air is sucked through that new opening until the resin front comes very close to it, and the process is repeated as needed. Movement of the liner to bring new portions of the felt into engagement with the resin is not interrupted even while the point of suction is being shifted from one position to another. Thus, while the *drawing* of vacuum is discontinuous for the few seconds involved in shifting the suction source, the *presence* of a vacuum of functionally effective magnitude within the liner, and particularly at the resin front, is *continuous* -- it varies in magnitude, but at all times a *functionally effective* vacuum does exist at the resin front.

Petitioners' "Statement of the Case" omits a fact fundamentally significant to the issue of file wrapper estoppel -- as pointed out by the Federal Circuit in its opinion at pages A-9 and A-18–19,[1] the application *as originally filed* included a claim, claim 4, which did not materially differ from the ultimately allowed patent claim.

Because the cited prior art (Everson) disclosed *applying* suction *continuously* from a *single point* located at the tail end of the liner essentially as far from the resin front as one could get, and because original application claims 1–3 read on that process they were canceled.

However, original application claim 4 differentiated from Everson in calling, inter alia, for the initial *application* of suction at a *first point* relatively close to the resin front and relatively far from the tail end of the liner and then, when the resin front approached that first point, removing the suction means from that point and reapplying it at a *second point* downstream from the first point, and repeating the process as many times as necessary. That original application claim 4 is set forth at pages A-8–9, the patent claim is set forth at pages A-10–11, and the Federal Circuit correctly says in its opinion

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[1] References throughout are to the Petition.

that the patent claim "recited in new form the limitations of the original claim(s) 4 . . ." (page A-9), and goes on at pages A-18–19 to consider the consequences of that important fact -- application claim 4 and allowed claim 1 patentably differentiate over Everson in the respects here set forth.

Defendants' accused processes differ from what is disclosed in the patent by providing not just one effective suction source initially located relatively close to the initial resin front, specifically disclosed in the patent, but a plurality of suction sources spaced along the leading portion of the liner, with the first of such sources (closest to the resin front) initially being positioned comparably to the initial position of the suction source disclosed in the patent and thereafter manipulated precisely as called for in the claim in suit, and with each of the other suction sources in the accused processes also individually manipulated precisely in the manner called for in the claim in suit, thus differing from Everson in the very way that patent claim 1 differs from Everson.

II. THE OPINION OF THE COURT BELOW IS ENTIRELY CONSISTENT WITH HILTON DAVIS.

Warner-Jenkinson Co. v. *Hilton Davis Chemical Co.*, 1997 Lexis 1476, ____U.S. ____ (1997) (*Hilton Davis*), says that the scope of file wrapper estoppel is determined by probing the reasoning behind why a particular claim change was made. The Court below carried out precisely that analysis (pages A-18–20).

Petitioners are wrong in saying that there has been evisceration, *sub silentio* or otherwise (see pages 7–9), of the basic doctrine of file wrapper estoppel. Instead the Federal Circuit has correctly applied what petitioners concede is an "integral part of (that) Federal Circuit jurisprudence" (page 8), "the applicable rule for determining the scope of estoppel . . . (which) has been followed consistently by the Federal Circuit" (page 19), all of which this Court has tacitly approved in *Hilton Davis*.

III. THERE IS NO REAL DISTINCTION TO BE MADE BETWEEN ARGUMENT ESTOPPEL AND AMENDMENT ESTOPPEL.

Petitioners' attempt to fundamentally distinguish between what they term "argument estoppel" and "amendment estoppel" is without support in the cases; those matters are not mutually exclusive, nor does one work against the other, by way of "evisceration" or otherwise. They are both cooperating, commonsense approaches to the question of what it is that the patentee, during the prosecution of his patent, has given up. Sometimes it is clear that what the patentee has given up is determined wholly by an amendment to the claim, as in *Hilton Davis*, where the limitation of the upper pH limit of 9.0 was needed to distinguish over the prior art. But that is not the only way in which a patentee can make clear on the record what his claims do not cover, as brought out in *Coleco Industries Inc.* v. *United States ITC*, 573 F.2d 1247, 1257 (1978), where the CCPA, the predecessor of the Federal Circuit, found an estoppel based upon what the patentee argued made his invention different from the prior art, even though the actual amendment to the claims did not itself raise an estoppel. In *Standard Oil Co.* v. *American Cyanamid Co.*, 774 F.2d 448, 453 (Fed. Cir. 1985), by way of example, where the patentee said *in argument* that copper "is outside (the) claims," the Federal Circuit quite sensibly held the patentee to his statement. That is typical of the argument estoppel cases.

The inquiry in all situations is to determine what it is that the patentee gave up in order to persuade the Examiner to allow his claim, and whether the patentee is trying to restore the claim to its pre-amendment or pre-argument breadth, that is as it should be, and that is precisely what the lower courts have done here.

IV. THERE IS NO CONFLICTING AUTHORITY FOR THIS COURT TO RESOLVE.

The Federal Circuit has consistently throughout its history taken into consideration, in evaluating file wrapper estoppel, *material* statements by the applicant *as well as* the changes, if

any, that were made to the claims. Petitioners do not cite any Federal Circuit opinions to the contrary. It may be true that at one time other Circuits were in disarray in this regard, but the Federal Circuit has done just what it was supposed to do -- bring uniformity to the patent law. There is no longer any dispute as to the applicability, in determining the scope of a file wrapper estoppel, of *both* the changes to the claims *and* any relevant statements to the Examiner. There is no conflict in authority for this Court to resolve.

V. IN THIS CASE THE FEDERAL CIRCUIT DID NOT APPLY ARGUMENT ESTOPPEL.

The opinion below makes clear at pages A-16–A-20 that it was not applying the doctrine of "argument estoppel," but that instead it was petitioners who were seeking to have that doctrine applied in their favor, and the Court of Appeals disagreed with petitioners in that regard. The Court below, after setting forth the basic principles involved, *first reviewed the claims, original and final*, and concluded that "Insituform unequivocally gave up coverage to a process in which a single vacuum source is located at the far end of the tube" (Everson). Then and only then did the Court below turn to Insituform's "argument," which petitioners contended created an estoppel sufficient to rule out their accused processes. Then and only then did the Court below find that that "statement alone is too equivocal" to impel an estoppel in defendants' favor, saying that "no reasonable competitor could conclude that Insituform gave up coverage of continuous vacuum created by one or more vacuum sources." Argument estoppel, *asserted by petitioners,* was *rejected* in this case as "too equivocal."

Thus petitioners' complaints at page 9 that the Federal Circuit allegedly "did not measure the estoppel in terms of the amendments, or even the words in the claims. Rather, the Court used only the statements and remarks," and petitioners' assertion that the Court below allegedly described the "express limitation put on the invention by Insituform" in terms that were "never part of the claim language" are seen to be entirely incorrect. Instead, what the Court below did in this

connection was in full accord with the admonitions of this Court in *Hilton Davis* and its predecessors, with its own well-established prior rulings, and with common sense.

VI. THIS COURT HAS *NOT* REJECTED ARGUMENT ESTOPPEL, AND THE PRIOR OPINIONS OF THIS COURT SUPPORT RESPONDENTS.

Petitioners cite *Keystone Driller Co.* v. *Northwest Eng. Corp.*, 294 U.S. 42 (1934) as standing for the "unequivocal rejection of argument estoppel." They are wrong. In that case the prosecution history showed a change in the claim which led to its allowance (amendment estoppel), *and* there was a statement to the Examiner *of similar scope*. The Court said:

> "We do not attribute the force of an estoppel to what was said by the claimant in seeking to avoid the prior art cited against his broad claims but we do apply the principle that where such broad claims are denied and a narrower substituted, the patentee is estopped to read the granted claim *as the equivalent of those* which were rejected" (emphasis added),

and went on to point out that if the claim interpretation sought by the patentee were adopted it would read upon the very prior art which the Examiner cited. This last was explicitly stressed by the *Hilton Davis* Court when it explained *Keystone* -- "within the prior art that formed the basis for the rejection of the earlier claims." The *Keystone* Court made a choice between argument and amendment on the facts before it, that choice was dictum, and it in no way rejected the application of argument estoppel in a proper case.

The significance of *Keystone* is twofold:

1. It did not hold that "argument estoppel" was improper but only elected to rely on the claim amendment, particularly because

2. If the claim were to be interpreted to read on the defendant's device it would also read upon the very prior art that the Examiner had cited.

That is mirrored in the other Supreme Court cases cited by petitioners at pages 11 and 12 of the petition, all of which stress that file wrapper estoppel prevents the patent claim from having "the larger scope which it might have had without the amendment which amounts to a disclaimer."

As to this Court's opinion in *Exhibit Supply Co.* v. *Ace Patents Corp.*, 315 U.S. 126 (1942), relied upon throughout the petition, the Court there pointed out that "it has long been settled that recourse may not be had to (the doctrine of equivalents) to recapture claims which the patentee has surrendered by amendment" (p. 136) -- and, as explained above, that is just what the Federal Circuit in this case did *not* do.

The *Exhibit Supply* Court then explicitly recognized that they were *not* dealing with a situation where the "embedded in the table" limitation was included in an original claim, and said that such a case presented a very different issue. In this case, as we have pointed out in our "Statement of the Case," originally presented claim 4 was essentially the same as patent claim 1, a fact which petitioners omit from their "Statement of the Case" but which the Court below explicitly set forth in its opinion. Hence *Exhibit Supply* in this regard supports respondents.

In this case there was no attempt by respondents to try to have the claim cover the Everson prior art method, in other words to try to give the claim the scope that it might have had before it was amended, and that is all that the decisions of this Court rule out. Instead we have here a claim that for all intents and purposes was in the application as originally filed, and the accused processes are quite different from Everson and, as the Court below found, "solved the problem presented by Everson" (page A-29). Each of those two factors -- original claiming and not trying to recapture the prior art -- supports the correctness of the Court below and its consistency with the dictates, earlier and later, of this Court.

VII. CONCLUSION

The petition for a writ of certiorari should be denied. The petition raises no issue of the type described in this Court's Rule 10 as worthy of consideration, there is no special and important reason to take this Court's time, and the petition is without substance in the legal issues it does attempt to raise.

HAROLD JAMES
Counsel of Record
JAMES & FRANKLIN
60 East 42nd Street
New York, New York 10165-1217
(212) 867-7260

Counsel for Insituform Technologies, Inc., Insituform (Netherlands) B.V., and Insituform Gulf South, Inc.